GOVERNMENT OF INDIA
DISINVESTMENT
LOK SABHA

UNSTARRED QUESTION NO:2171
ANSWERED ON:17.12.2003
DISINVESTMENT OF NALCO
PRIYA RANJAN DASMUNSI

Will the Minister of DISINVESTMENT be pleased to state:

(a) The reasons for disinvesting of NALCO;

(b) the details of the price of alumina and aluminium in different countries;

(c) whether any investigation has been done regarding the aluminium cartel's role in global trade; and

(d) if so, the details thereof?

Answer

MINISTER OF COMMUNICATIONS AND INFORMATION TECHNOLOGY AND MINISTER OF DISINVESTMENT (SHF SHOURIE)

(a) NALCO is a non-strategic company. Government decided in July, 2002 for the sale of 10% of Government's Equity in the Domestic Market and 20% in the American Depository Receipt (ADR) Market through Offers for Sale to be followed immediately by Strategic Sale of 29.15% after reserving up to 2% of the Equity for NALCO employees. The disinvestment of NALCO is not being pursued presently.

(b) As per "CRISINFAC", the prices of alumina during the calendar year upto November, 2003 ranged FOB Carribean @ US$183 295 per tonne and FOB Australia @ US$200-315 per tonne. The prices of aluminium during the same period ranged @US$1315-1533 per tonne in London Metal Exchange (LME). The prices prevailing in various countries vary depending upon the level of import duty, freight expenses and local taxes.

(c) & (d) Global trade in aluminium is well developed. Daily prices are quoted in London Metal Exchange. As per "CRISINFAC", the five largest producers of aluminium account for only around 35% of the effective global capacity indicating that cartelisation is not self-evident in the aluminium industry.